

BEFORE THE IDAHO BOARD OF TAX APPEALS

IN THE MATTER OF THE APPEAL OF MIKE) APPEAL NO. 07-A-2102
BRAVO from the decision of the Board of) FINAL DECISION
Equalization of Canyon County for tax year 2007.) AND ORDER

RESIDENTIAL PROPERTY APPEAL

THIS MATTER came on for hearing November 19, 2007, in Caldwell, before Hearing Officer Travis Vanlith. Board Members Lyle R. Cobbs, Linda S. Pike and David E. Kinghorn participated in this decision. Appellant Mike Bravo appeared for himself. Appraisers Don Towery and Brian Stender appeared for Respondent Canyon County. This appeal is taken from a decision of the Canyon County Board of Equalization denying the protest of the valuation for taxing purposes of property described as Parcel No. 049600020030.

The issue on appeal is the market value of a residential property.

The decision of the Canyon County Board of Equalization is reversed.

FINDINGS OF FACT

The assessed land value is \$183,200, the improvements' value is \$314,900, and the other improvements value is \$7,500, totaling \$505,600. Appellant requests subject be reduced to a total value between \$412,000 and \$450,000.

The subject property is a 4.16 acre rural residential parcel. Attached is a 2,522 square foot residence with 1,302 square foot unfinished basement. Subject is a raised parcel with views of the surrounding area.

Appellant's primary argument was that a portion of the subject land was steeply sloped and therefore the entire parcel should be assessed lower. Appellant noted the steep slope made building on that portion of subject too burdensome and costly. Pictures were provided to depict the slope.

Appellant also submitted a third-party appraisal, which indicated a value range for subject between \$412,000 and \$450,000. The appraisal was effective July 13, 2007. Included in the appraisal were sales of three nearby improved properties. The appraisal noted the sale properties were adjusted to account for differences versus subject, such as design, quality, age, and amenities. No adjustment for subject's location was made. The appraisal noted the easements and right-of-ways found on subject "currently have no effect on value".

Respondent acknowledged the slope of subject site, but argued the placement of the residence afforded the view enjoyed by Appellant. Respondent contended any use restrictions that resulted from the slope were overcome by the value of the superior view. It was noted the homesite was flat and had a residence and several outbuildings attached.

Respondent provided three nearby sales of improved properties that occurred during 2006, two of which re-sold in early 2007 (Sale 1 and Sale 2). The 2006 sales prices ranged between \$516,000 and \$550,000. Adjustments were made to account for outbuildings and other differences from subject, resulting in an adjusted price range between \$476,900 and \$529,200. No adjustments were made for variances in square footage.

Respondent challenged the appraisal provided by Appellant on the basis that it expressed subject's value effective July 13, 2007, whereas Respondent was charged by statute to value subject as of January 1, 2007. Respondent also questioned the adjustments made to the sale properties included in the appraisal. The large adjustments raised questions of comparability and reliability in Respondent's mind. After further examination of the appraisal, Respondent made adjustments to sales 1, 2, and 3 to arrive at adjusted sales prices of \$488,000, \$518,000, and \$450,000, respectively.

CONCLUSIONS OF LAW

This Board's goal in its hearings is the acquisition of sufficient, accurate evidence to support a determination of fair market value. This Board, giving full opportunity for all arguments and having considered all testimony and documentary evidence submitted by the parties in support of their respective positions, hereby enters the following.

The original Notice of Appeal filed with this Board indicated that Appellant sought value adjustments on the land and improvements, however, Appellant's arguments at hearing focused primarily on detriments found in subject's topography. The improvements were scarcely mentioned. The slope is apparent from the pictures provided by Appellant and was acknowledged by Respondent. It is clear much work and expense would be required to transform that portion of subject into a buildable piece of ground. That being said, the homesite is flat and perched on the hill, affording a superior view compared to other nearby parcels.

Appraisals are often good indicators of value, as they represent an independent evaluation of a particular property. The problem in this case is the July 13, 2007 effective date of the appraisal. Per Idaho Code, property for assessment purposes must be valued on January 1 of the tax year in question. See Idaho Code § 63-205. Even if the appraisal was considered, there are questions of comparability regarding the sales included in the report. Adjustments are commonly made to sale properties to make them comparable to the property that is the subject of the appraisal. Sale 2 required nearly \$70,000 in adjustments and Sale 3 was adjusted approximately \$125,000 to arrive at subject's proposed value. Questions of comparability are apparent when such large adjustments are necessary to make the properties similar.

Respondent did provide three sales to support subject's assessment. Due to the variances in land size, significant adjustments were needed to make them comparable to subject. No

adjustments were made for differences in square footage. Sale 2 required the least amount of adjustment and was closest in proximity to subject.

Review of the record revealed that Sale 3 included in the appraisal report and Respondent's Sale 2 were the same property. Respondent reported the March 2006 sale of the property and the appraisal listed the January 2007 re-sale. The appraisal included nearly \$125,000 in adjustments to arrive at the adjusted \$429,920 value. Respondent adjusted the 2006 sale price approximately \$48,000 to arrive at an adjusted value of \$476,900. Interesting though, was the fact that after adjustment to the 2007 re-sale, Respondent arrived at an adjusted sale price of \$450,000.

Because both parties provided the same sale, it is reasonable to rely most heavily on this property sale. The only question is which adjusted value should be adopted. The nearly \$125,000 adjustment made to Sale 3 in the appraisal report is too great to be considered reliable. Respondent's adjustment of the March 2006 sale resulted in a value of \$476,900, while the adjustments applied to the January 2007 re-sale yielded a value of \$450,000. The 2007 re-sale of the property occurred beyond the January 1, 2007 lien date, however, it is proximate enough in time, that with adjustments, could be considered a good indicator by which to value subject. Additionally, of all the sales provided by both parties, Sale 3 (Respondent's Sale 2) is closest in acreage to the subject property. Respondent's adjustments applied to the 2006 sale did not account for square footage differences in the residences, despite subject having approximately 500 fewer square feet. Given these factors, Respondent's \$450,000 adjusted value of the sale property seems the most reliable, and will be adopted by the Board. Accordingly, the decision of the Canyon County Board of Equalization is reversed to reflect a \$450,000 value for subject.

FINAL ORDER

In accordance with the foregoing Final Decision, IT IS ORDERED that the decision of the Canyon County Board of Equalization concerning the subject parcel be, and the same hereby is, reversed to reflect a decrease in land value to \$162,750, improvement's value to \$279,750 and the other value to remain at \$7,500 for a total value of \$450,000.

IT IS FURTHER ORDERED that any taxes which have been paid in excess of those determined to have been due be refunded or applied against other *ad valorem* taxes due from Appellant.

MAILED FEBRUARY 4, 2008